Subject: FW: YouTube Term Sheet
From: "Lehman, Nicholas" <EX:/O=VIACOM/OU=MTVUSA/CN=RECIPIENTS/CN=ONLINE/CN=MTVI/CN=LEHMANN>
To: Lehman, Nicholas
Cc: Date: Tue, 25 Jul 2006 00:55:45 +0000

From: Cahan, Adam
Sent: Monday, July 24, 2006 5:54 PM
To: Patel, Kruti; Witt, Jason; Lehman, Nicholas
Cc: Bakish, Robert
Subject: FW: YouTube Term Sheet

first in from youtube. have not even looked over yet. please keep circle small for now before folks start forming opinions pre-negotiations

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From: Chris Maxcy [mailto:chris@youtube.com]
Sent: Monday, July 24, 2006 11:59 AM
To: Cahan, Adam; Bakish, Robert
Cc: 'zahavah'; 'Kevin Donahue'
Subject: YouTube Term Sheet

Adam & Bob,

At long last, attached is a preliminary draft of the Term Sheet we've discussed. Please let me know when you are available to discuss.

Best,

Chris

Chris Maxcy

VP, Business Development

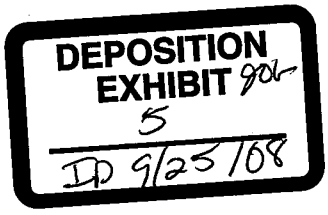
YouTube, Inc.

chris@youtube.com

650.685.6402

www.youtube.com

List of attachments:
Vaicom Termsheet (7 24 06).doc



Highly Confidential

Viacom/ YouTube (YT) Term Sheet

STRUCTURE:	This term sheet summarizes the basic terms and conditions of a proposed content licensing agreement between Viacom, Inc. ("Viacom") and YouTube, Inc, ("YT"). This term sheet is not binding and does not create any rights or obligations between the parties. Any agreement between the parties is subject to the execution of definitive documentation.
TERM:	Twelve (12) Months (the "Term"), commencing on _____.
VIACOM OBLIGATIONS:	During the Term, Viacom shall provide the following: (a) Worldwide license to Viacom's domestic & international catalog of short form videos on a streaming-only basis. (b) Periodic XML feed (weekly or monthly) of the videos it licenses to YT ("Licensed Videos") & associated metadata, including electronic metadata updating the rights designations (e.g. takedowns, new adds, etc…) for the Licensed Videos on the YT Site (herein referred to as the "Service"). (c) Viacom shall be solely responsible for obtaining and paying all necessary rights to the Licensed Content including but not limited to: (i) any third-party publishing rights, other than any music public performance rights, required in connection with the use hereunder of any audio or visual compositions (embodied in the Licensed Videos on the Service, (ii) any necessary royalties to so-called "royalty" participants (e.g. actors, producers, writers, etc.), (iii) any distribution rights, and (iv) any required union payments. The Parties agree that YT shall be solely responsible for obtaining public performance licenses in connection with YT's use of musical compositions embodied in the Licensed Videos performed on the Service. (d) Viacom shall rep and warrant its ownership to the Licensed Videos and indemnify YT for any errors. (e) Viacom shall be responsible for selling advertising on the pages of the Service where users can directly play the Licensed Videos, the "Watch Pages".

COMPENSATION	Viacom shall pay YT on a monthly basis an amount equal to the greater of (i) fifty percent (50%) of Viacom's gross revenues associated with any advertising or sponsorships on the Watch Pages and (ii) $0.005 per exhibition of each Licensed Video on the Service. Viacom shall provide monthly revenue reporting and payment to YT within thirty (30) days after the end of each month
YT OBLIGATIONS	During the Term, YT shall provide the following: (a) Hosting & streaming of the Licensed Videos via the Service. Viacom shall retain the right to add or remove Licensed Videos from the Service at any time by updating the metadata associated with any Licensed Video(s) in the XML feed. (b) Co-branding: YT shall co-brand the video player on all Watch pages of the Service where the Licensed Content is available for viewing (mockups to be provided). YT shall also provide Viacom with the following branding elements: i. YT shall prominently display in connection with the exhibition of each Licensed Video on the Service a company logo of Viacom's choice with an accompanying URL, and ii. Viacom may also choose a secondary text link to be displayed in connection with the exhibition of each Licensed Video. Secondary text links are configurable on a video by video basis and will take users to a site(s) of Viacom's choosing (e.g. show website, etc.) (c) Reporting: Within thirty (30) days after the end of each month, YT will render reasonably detailed accountings showing the number of exhibitions of Licensed Videos on the Service. (d) Content Claiming: During the Term YT shall develop an automated system using fingerprint technology to identify videos on the Service that contain Viacom copyrighted material and enable Viacom, in its discretion, to either (i) license such material for use on the Service as a Licensed Video hereunder

	or (ii) have YT remove such video from the Service altogether.
CONFIDENTIALITY	Neither YT nor Viacom may disclose to any third party (other than each party's employees, in their capacity as such) any information regarding the terms and conditions of this term sheet without the prior written consent of the other party